

## PENINSULA IDENTIFIES HIGH-GRADE ZINC INTERSECTIONS AT ILWEOL ON THE UBEONG PROJECT IN SOUTH KOREA

*Drilling commenced testing the Python Pb-Zn target after completing Chilbo programme*

- High-grade zinc (Zn) diamond drilling intersections with lead (Pb) and copper (Cu) identified in KORES report on the recently granted Ilweol Project tenements, including:
  - ILW 77-1: 7.0m (3.5m true width, TW) @ 14.58% Zn, 1.37% Pb, 2.12% Cu from 191.9m
  - ILW 77-3: 2.1m (1.5m TW) @ 18.66% Zn, 11.08% Pb, 3.21% Cu from 253.6m and 5.5m (4.0m TW) @ 10.16% Zn, 1.61% Pb, 1.45% Cu from 263.6m
  - ILW 76-3: 3.6m (2.5m TW) @ 15.5% Zn, 1.48% Pb from 181.3m
- Drilling to test large Pb-Zn soil anomaly at Python following ground magnetics target definition
- Drill hole UBD0004 at Chilbo completed at 400.1m having intersected multiple disseminated sulphide zones

Peninsula Mines Ltd (ASX:PSM) has identified very high-grade zinc (Zn) with lead (Pb) and copper (Cu) drilling intersections in a report released by the Korea Resources Corporation (KORES) following the grant of the Ilweol tenements on the Ubeong Zinc Project in South Korea (see Figure 1 for location).

The diamond drilling was completed in 1976<sup>D7</sup> and 1977<sup>D8</sup>, re-compiled and reported by KORES in 2016, but only released to the Company upon grant of the Ilweol tenements. Figure 2 shows the drill hole locations and selected drilling intersections are tabulated below. All available data is presented in Appendix 1:

Drill hole	From	To	Int.	TW	Grade		
					Zn %	Pb %	Cu %
ILW 76-3	181.3	184.9	3.6	2.5	<b>15.50</b>	1.48	
ILW 77-1	191.9	198.9	7.0	3.5	<b>14.58</b>	1.37	2.12
ILW 77-3	253.6	255.7	2.1	1.5	<b>18.66</b>	11.08	3.21
	263.6	269.1	5.5	4.0	<b>10.16</b>	1.61	1.45

The high-grade Zn-Pb-Cu massive and breccia sulphide mineralisation at Ilweol<sup>D1</sup>, is associated with a >2km strike length limestone-skarn horizon (see Figure 2), that was previously mined from the 1940s to the 1970s to a depth of approximately 150m, accessed by an adit from the valley floor which is still accessible.

Detailed magnetics has now been completed by the Company along the mineralised skarn horizon at Ilweol. Interpretation of the magnetics imagery (see Figure 2) has highlighted that the magnetic highs along the mineralised skarn horizon correlate with the zones of identified high-grade massive sulphide mineralisation, between interpreted locally mineralised cross faults that intersect the structure.

The six diamond drillholes were completed from the surface and have tested the lode on four sections over an approximately 1km strike length, testing below the level of the previous workings. Figure 3 shows a cross section through the steeply dipping massive sulphide Zn-Pb-Cu lode at Ilweol with the high-grade ILW 76-3 and ILW 77-1 uintersections shown. The high-grade Zn-Pb-Cu mineralisation is open at depth.

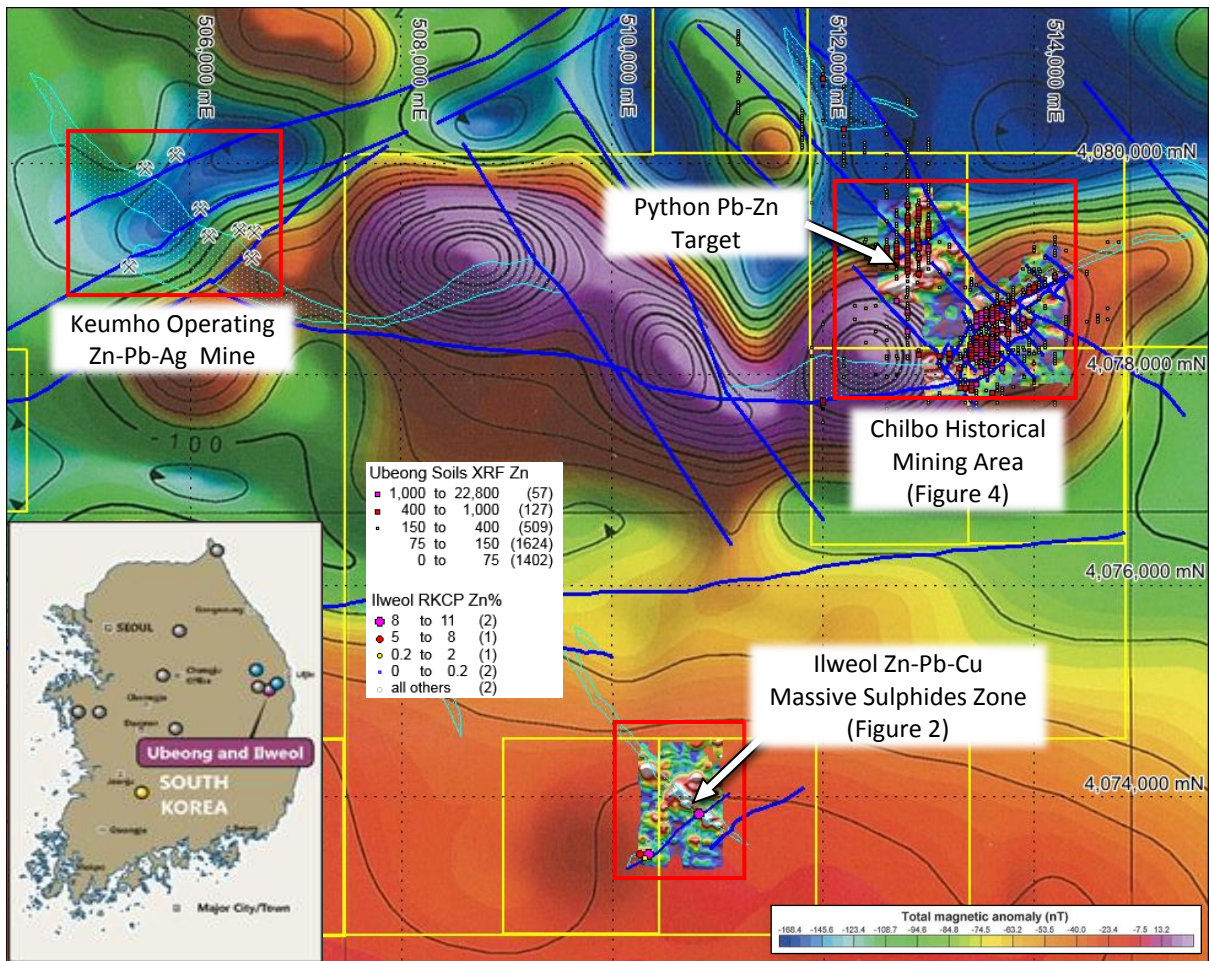


Figure 1: Ubeong Project, TMI ground magnetics on TMI airborne magnetics image<sup>D5,D6</sup>, with soil and rock chip sample results (Zn), granted tenements and tenement applications

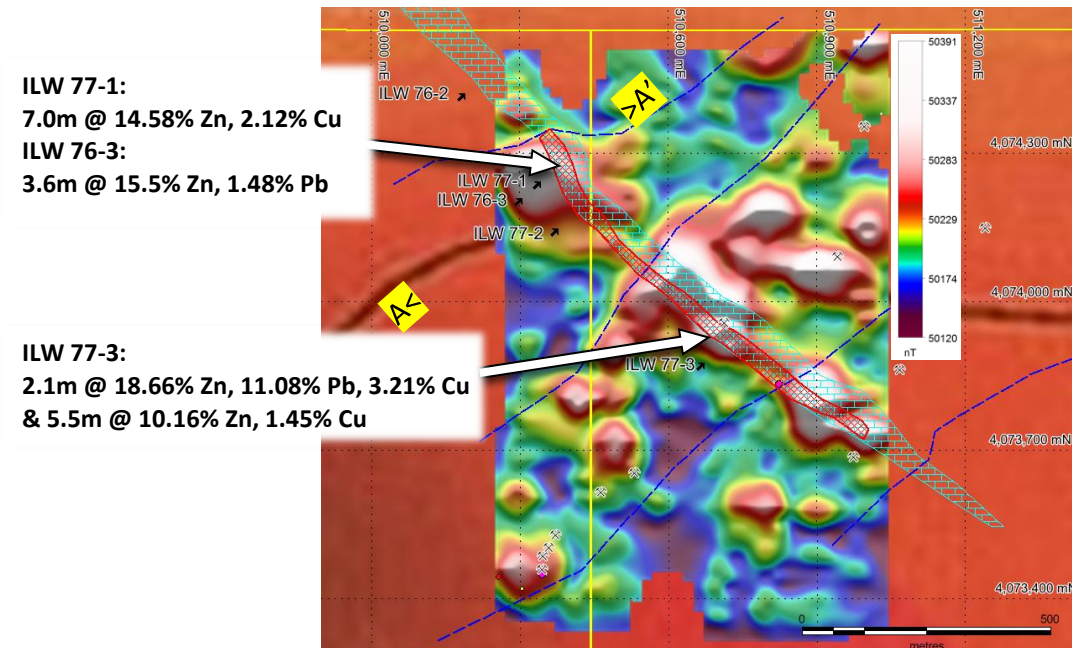
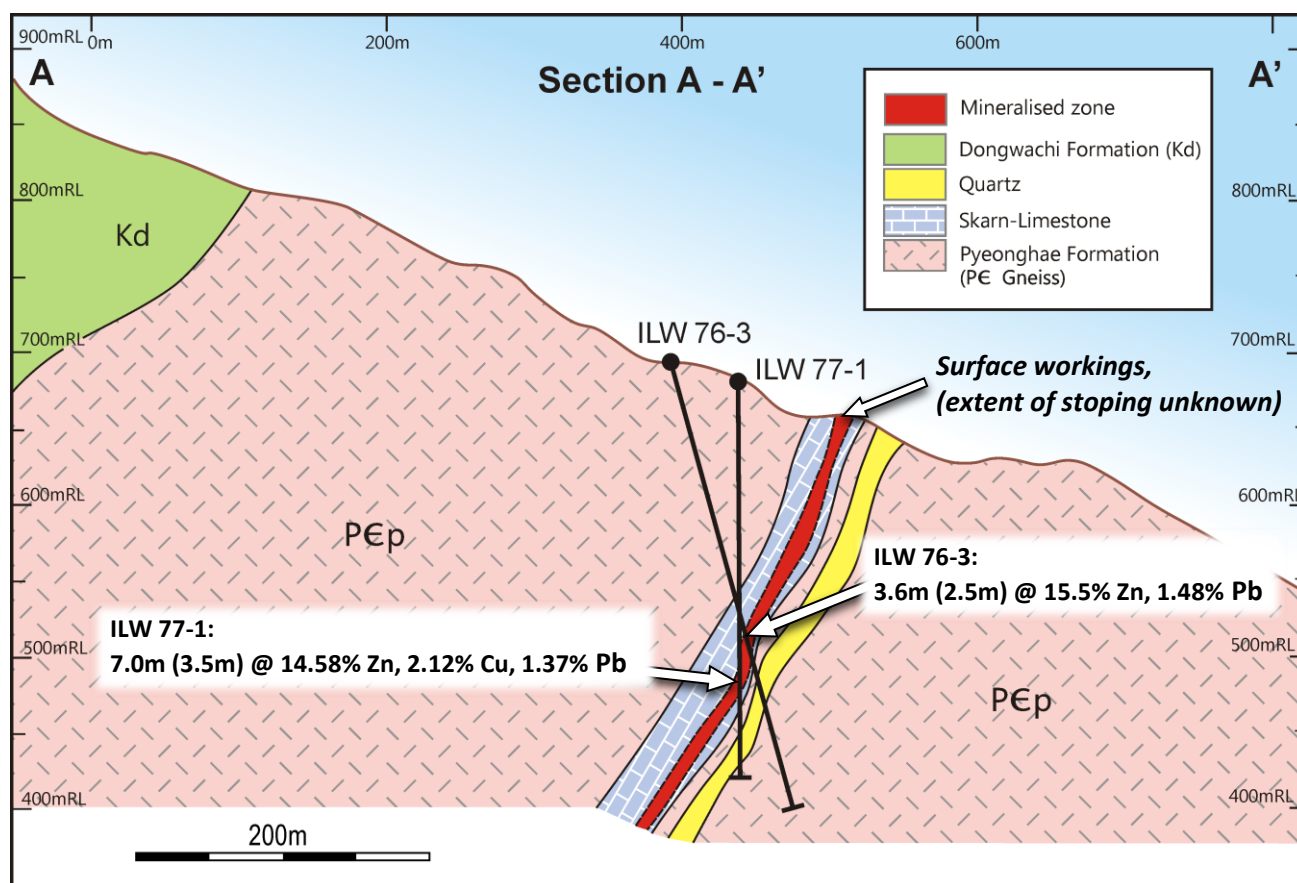


Figure 2: Ubeong Project, Ilweol Target, KORES drilling locations on TMI ground magnetics image



**Figure 3: Ubeong Project, Ilweol Target, cross-section A – A' through the KORES drilling and massive sulphide lode**

Follow up drilling is being planned, either from the main northwest-southeast valley floor some 430m to the east of the main structure, subject to the outcome of landholder discussions which are currently underway, or from underground if safe sevicable access can be re-established.

Peninsula Managing Director, Jon Dugdale, said, “These very high-grade zinc intersections, drilled by KORES, effectively represent the discovery holes into a high-grade massive sulphide zinc-lead-copper skarn.

“Further drilling is being planned to test the continuity and extent of this very high-grade zinc with lead and copper skarn, subject to landholder access discussions which are underway.”

### Drilling Update – Chilbo and Python

At **Chilbo** (see Figure 1, and Figure 4 below), diamond drillhole UBD0004 has been completed at 400.1m, having tested extensions of the Taipan Zinc Target and continued to test the magnetic interpreted “core” of the porphyry-skarn system at the Viper Target<sup>D2</sup>. Drill hole details are contained in Appendix 2.

Several disseminated to blebby sulphide zones were intersected in UBD0004, including:

- i) A 2m fault breccia / sulphide zone with disseminated sphalerite (1% visual estimate), with trace chalcopryrite (copper) from 56m.
- ii) A 20m zone from 128m down hole with variably disseminated to blebby sulphides including sphalerite (zinc) and trace chalcopryrite (0.1 to 1% sulphide visual estimate) correlating with the Taipan Target.
- iii) An intrusive felsic “porphyry” from 153.5m to 165.6m, followed by,



- iv) magnetic skarn with variably developed sulphides including pyrrhotite, pyrite, arsenopyrite and minor chalcopyrite from 165.6m to 227m down hole.
- v) The hole then passed through a fault and continued in pelitic rocks with some magnetic mafic dykes to end of hole at 400.1m.

Processing of the drillcore, including hand-held XRF measurements and magnetic susceptibility, are in progress, and results will be reported in due course.

The next drillhole (UBD0005) will be drilled due north ( $-45^\circ$ ) test the **Python** Pb-Zn soil anomaly<sup>D3</sup>, where a detailed ground magnetics programme has been completed. The Pb-Zn soil anomaly at Python is located within projections of the northwest trending fault corridor north-west of Chilbo (see Figures 1 and 4) associated with minor workings with massive sulphides, galena (Pb) and sphalerite (Zn), in dump samples<sup>D9</sup>.

Detailed ground magnetics imagery (see Figure 4 below) indicates that a northeast – southwest trending magnetic limestone skarn horizon is located at the southern end of the Python grid, interpreted to dip shallowly to the north and underlying the northeast – southwest trending Pb-Zn soil anomaly. UBD0005 will test the projected position of the skarn mineralisation at depth below the soil anomaly at Python.

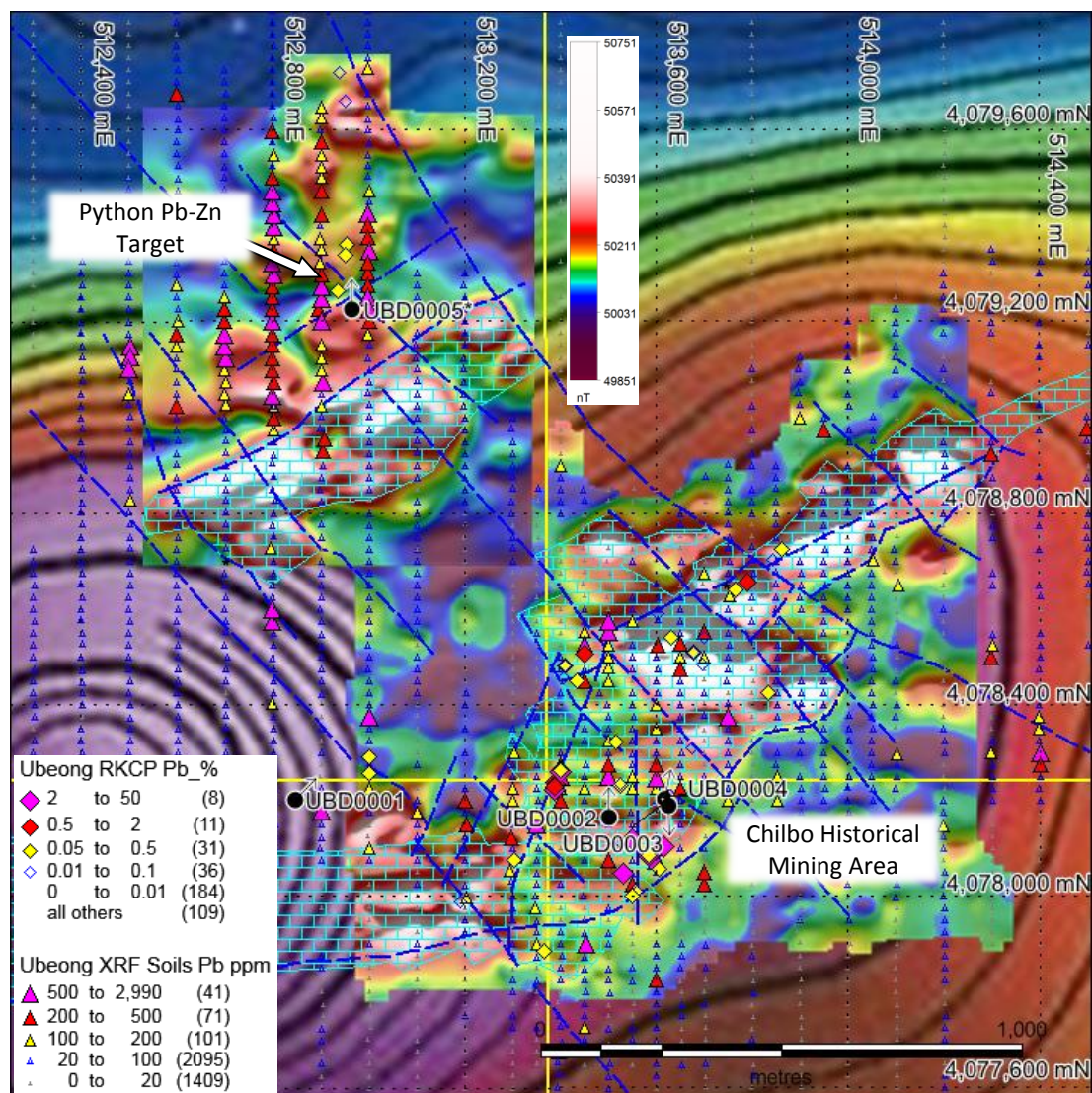


Figure 4: Ubeong Project, Chilbo – Python Prospects, TMI ground magnetics on TMI airborne magnetics image<sup>D5,D6</sup>, with soil and rock chip sample results (Pb), granted tenements

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**About Peninsula Mines:**

Peninsula Mines Ltd (“Peninsula” or “the Company”) is an Australian listed, exploration/development company focused on developing the outstanding opportunities for mineral discovery and development within South Korea. Peninsula’s strategy is to focus on mineral commodities that have a positive price outlook and offer potential for off-take and/or strategic partnerships in-country.

The Company is primarily focused on advancing a series of flake-graphite projects that offer potential for development to supply down-stream flake graphite products to the high-technology, Lithium-Ion battery manufacturing market and/or large-flake graphite applications in South Korea. In addition, the Company is drilling a series of highly prospective zinc-lead-copper targets at Ubeong in eastern South Korea.

**Summary list of all previous Peninsula ASX releases referenced in this announcement:**

- D1 Ilweol Trend High-Grade Zn-Pb-Cu Results, 28 November 2017
- D2 Drilling Restarted Testing Key Ubeong Zinc and Copper Targets, 6 March 2018
- D3 Encouraging Zinc-Silver Drilling Results, Identification of Large New Lead-Zinc Target, 5 February 2018
- D4 Koo, S.B., Park, Y.S., Lim, M.T., Rim, H.R., Lee, H.I., Sung, N.H., Choi, J.H. and Koo., J.H., 2008, KIGAM 1:100,000 Socheon Aeromagnetic Contour Image.
- D5 Kim, O.J., Hong, M.S., Park, H.I. and Kim, K.T., 1963, KIGAM 1:50,000 Samgeunri Geology Sheet and Dogyedong Geology Sheet.
- D6 Geoho Geology 2016, A Geological Review of the Dogyeodong 72 and Dogyedong 82 tenements for KORES, unpub.
- D7 KMPC 1977, Annual drilling report for 1976 on exploration at the Ilweol Mine, Korea Mining Promotion Corporation, Unpub., pp531-532.
- D8 KMPC, 1978. Annual drilling report for 1977 on exploration at the Ilweol Mine, Korea Mining Promotion Corporation, Annual Report for 1977, Unpub., pp462.
- D9 High Grade Zinc Silver Results, 13 September 2016.

For full versions of the Company’s releases see Peninsula’s website [www.peninsulamines.com.au](http://www.peninsulamines.com.au)

## Forward Looking Statements

*This report contains certain forward-looking statements. These forward-looking statements are not historical facts but rather are based on Peninsula Mines Ltd's current expectations, estimates and projections about the industry in which Peninsula Mines Ltd operates, and beliefs and assumptions regarding Peninsula Mines Ltd's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Peninsula Mines Ltd, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Peninsula Mines Ltd cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Peninsula Mines Ltd only as of the date of this report. The forward-looking statements made in this report relate only to events as of the date on which the statements are made. Peninsula Mines Ltd does not undertake any obligation to report publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this report except as required by law or by any appropriate regulatory authority.*

## Competent Persons Statements

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Daniel Noonan, a Member of the Australian Institute of Mining and Metallurgy. Mr Noonan is an Executive Director of the Company.*

*Mr Noonan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Noonan consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

*The information in this release that relates to Geophysical Results and Interpretations is based on information compiled by Karen Gilgallon, Principal Geophysicist at Southern Geoscience Consultants. Karen Gilgallon is a Member of the Australasian Institute of Geoscientists (AIG) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Karen Gilgallon has previously consented to the inclusion in the release of the matters based on this information in the form and context in which it appears.*

## JORC Code, 2012 Edition: Table 1

### Section 1: Sampling Techniques and Data

*(Criteria in this section apply to all succeeding sections.)*

Criteria	JORC – Code of Explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	<p>The Korea Mineral Promotion Corporation (KMPC) now Korea Resources Corporation (KORES) completed six diamond drill holes at the Ilweol project over two drill campaigns in 1976 and 1977. Limited details regarding the historic KMPC work are available in condensed KMPC annual summary drilling reports prepared 1976 and 1977<sup>D7,D8</sup>. KORES in 2016 commissioned a Korean consulting firm <i>Geoho Geology</i> to undertake a review of all the historic data available on the Ilweol project as well as to complete a surface mapping programme across the two key tenements Dogyedong 72 and 82<sup>D6</sup>. In addition, the consulting firm engaged an independent geophysical contractor Dr Seo to complete a limited dipole-dipole IP survey at Ilweol.</p> <p>The company has relied solely on information available in the most recent KORES report and from historic KMPC drill reports to compile the details on historic 1970s drilling at the Ilweol project<sup>D6,D7,D8</sup>.</p> <p>The available details for the historic 1976 and 1977 drill programme is limited to tables of composite assays from a limited number of assayed drill intercepts. The company has no details of the original raw assays or whether the entire reported intercept was sampled. It is assumed that the assaying was done inhouse at KMPC own laboratory as this was common practice at that time. It is likely that the sampling undertaken was either on selected pieces of whole core or randomly hand split pieces of core were assayed. This was common sampling practice utilised by KMPC/KORES until recently. The reported KMPC assays should only be considered indicative of the possible grade of the drill intercept given the known quality limitations of past KMPC and KORES sampling work.</p> <p>In the case of the recent company drilling at Chilbo no further drill core assaying has been undertaken other than the results reported previously<sup>D3</sup>. All cometary on grades within hole UBD0004 are based on visual estimates based on observations of sulphide species present.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<p>The company has been unable to source any specific details regarding how the sampling and assaying was undertaken. It is likely that only selected pieces of drill core from each reported drill intercept were assayed.</p> <p>No drill core assaying has been undertaken on the core from recently completed hole UBD0004 and the decision to assay any</p>



Criteria	JORC – Code of Explanation	Commentary
		core will be taken following the completion of a systematic first pass XRF review of the hole.
	<i>Aspects of the determination of mineralisation that are material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	<p>The drilling was undertaken using a core drilling rig most likely a Longyear 38 or 45 rig. The KMPC logs have no core size details but remnant core found lying on the ground at Ilweol suggests an NQ size drill string was used for some of the drill holes.</p> <p>The company has no details of how the KMPC samples were taken but it is likely that they were either whole core pieces or pieces of core broken by a hammer in the core tray. These samples would have been bagged in the field and delivered to the KMPC lab in Seoul for sample preparation and most likely an acid digest and AAS analysis. The company has been unable to unearth any specific details of the sampling, sample preparation or assaying processes used by KMPC.</p> <p>The recently completed hole UBD0004 was drilled using a track mounted core rig fitted with an NQ drill string. No assaying has been undertaken on the drill core and all comments on grades are based on visual estimates.</p>
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	<p>All six historic 1970s KMPC drill holes were drilled with a core drilling rig.</p> <p>Hole UBD0004 was drilled with a standard NQ core string.</p>
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>  <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>  <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	<p>KMPC staff produced very brief graphic logs of the drilled intervals with minimal geological details recorded on single A4 sheet graphic logs. No specific recovery details were recorded for each interval nor other geotechnical information. The only recovery information available is a figure for the entire whole which in the case of these 6 holes varied from 92 to 95.4% suggesting that core recovery was not a major issue.</p> <p>Without more details it is impossible to comment on whether there was any relationship between core recovery and the grade of specific drill intercepts.</p> <p>The company believes that poor KMPC sampling practices have more than likely lead to some degree of bias in the sampling and the resulting assays reported.</p>



Criteria	JORC – Code of Explanation	Commentary
		The core recovery from hole UBD0004 was generally good with some core lost noted in around major faults and where the angle between the predominate foliation and the drill string was low. None of the core has been assayed as yet and a decision to assay any of the core will be taken following the initial XRF review of the hole.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	The quality of the logging and sampling is not considered adequate to support its use in the estimation of a Mineral Resource. The Company is looking to twin several of these historic holes to confirm whether the reported intervals truly reflect the in-situ grade. The reader should note that historic mining occurred on the Ilweol lode structure above the reported drill intercepts.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	The logging may be loosely classified as qualitative in nature but given the limited details reported and the concerns the company staff have over the quality of the reported assays this data should only be considered indicative of the possible grades present at Ilweol.
	<i>The total length and percentage of the relevant intersections logged.</i>	All drilled intervals were briefly logged but, in many cases, the reported descriptions were limited to a single word or short phrase.  To date hole UBD0004 has not been logged in detail with only areas with low level sulphide mineralisation visually examined and described in detail. A decision on whether to assay these intervals or any additional intervals will be taken post the completion of the XRF review.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	It is not known how the core was sampled but given observations on other KMPC work at that time it is likely that either selected whole core samples were taken or that core was poorly split in the core tray with a geological hammer. In neither case should the sample be considered fully representative of the interval sampled and assayed.  None of the core from hole UBD0004 has been sampled at this time. A systematic XRF review of the hole is currently underway.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	The KMPC Ilweol core samples were most likely jaw crushed and pulverised with a sub-sample split for assay. Again, no specific details of the sample preparation process are available.  No sampling has been undertaken as yet on core from hole UBD0004.

Criteria	JORC – Code of Explanation	Commentary
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<p>The company has no specific details of how samples were prepared but it is likely that the samples were prepped and assayed in-house at the KMPC lab in Seoul as was common practice at that time.</p> <p>No sampling has been undertaken as yet on core from hole UBD0004.</p>
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	<p>KMPC had no quality control procedures in place at that time.</p> <p>No sampling has been undertaken as yet on core from hole UBD0004.</p>
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	<p>It is likely that the samples taken were NOT truly representative of the interval sampled due to the poor sampling practices commonly in use by KMPC at that time. Certainly, no splits or repeats were assayed.</p> <p>No sampling has been undertaken as yet on core from hole UBD0004.</p>
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	<p>Drill core provides a quality sample which when logged and sampled correctly provides a quality sample. Limitations in the KMPC sampling practices has reduced the overall quality of the historically reported data, As the holes targeted base metal mineralisation NQ size core under correct drilling and sampling practices will provide a quality core sample for assay.</p> <p>No sampling has been undertaken as yet on core from hole UBD0004.</p>
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<p>The company has no details of how the sample preparation or assaying was undertaken. It is likely that a pulverised sample split was generated and subjected to an acid leach to produce an aliquot for AAS analysis as this was common practice by KMPC at that time. For the reported elements Pb, Zn and Cu this methodology would provide adequate and reliable assay data.</p> <p>No sampling has been undertaken as yet on core from hole UBD0004.</p>
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivations, etc.</i>	<p>The release includes a portion of the Socheon 1:100,000 Total Magnetic Airborne Magnetic Imagery<sup>D4</sup>.</p> <p>The Company purchased this image along with other images produced by the Korea Institute of Geoscience and Mineral Resources (KIGAM) as part of the country wide aeromagnetic atlas (Published Dec 2008). The Company has received permission from KIGAM management permitting the use of the</p>

Criteria	JORC – Code of Explanation	Commentary
		<p>KIGAM magnetic images in its ASX announcements, shareholder communications and corporate presentations.</p> <p>The magnetic survey was undertaken by KIGAM using a Geometrics G-813 Proton Magnetometer. The flight lines were flown East-West at a 1 km line spacing with North-South tie lines flown at a 5 km spacing. The flight altitude for the survey was 100-200m above ground level. The data processing involved setting the data level at 300m above mean sea level by upward/downward continuation. The International Geomagnetic Reference Field (IGRF) was used to assist with the removal of total magnetic anomaly.</p> <p>The KIGAM colour total magnetic contour maps are printed at 1:100,000 scale and referenced using the Bessel ellipsoid and the Tokyo datum with latitude and longitude coordinate marked.</p> <p>The Ilweol and Python ground magnetics surveys were completed using Geometrics G857 Proton Magnetometers on north-south orientated survey lines spaced 100m apart, with 5m station intervals along the survey lines. Station positions were recorded using a hand-held Garmin GPS (+/- 5m accuracy).</p>
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	<p>KMPC did not implement any quality control procedures.</p> <p>No sampling has been undertaken as yet on core from hole UBD0004.</p> <p>Ground magnetic data and GPS locations have been transferred electronically to independent geophysical consultants Southern Geoscience Consultants for QA/QC and processing.</p>
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	<p>The historic data cannot be verified as the historic lab data sheets and raw assay data is no longer available. The company has relied solely on the data available in the 3 KMPC/KORES reports on the Ilweol project<sup>D6,D7,D8</sup>.</p> <p>No sampling has been undertaken as yet on core from hole UBD0004.</p>
	<i>The use of twinned holes.</i>	<p>No holes have been twinned but it would be the Company's aim to twin several of the 1976/1977 holes to confirm the reported historic intercepts for the Ilweol project.</p> <p>No sampling has been undertaken as yet on core from hole UBD0004.</p>



Criteria	JORC – Code of Explanation	Commentary
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<p>The historic assays commented upon in this release were sourced from historic KMPC reports and the from the 2016 KORES commissioned project evaluation report<sup>D6,D7,D8</sup>. The data from these sources has been translated from Korean to English by company personal and the data then entered into excel spreadsheets to form the basis for the database on the Ilweol project.</p> <p>The company's drill holes are logged into an excel base drill log with the data routinely transferred to Perth for entry into the main company database.</p>
	<i>Discuss any adjustment to assay data.</i>	The reported assay intervals are in some case over several metres suggesting that the intervals were composited to produce the reported assay for the broad interval. It is equally possible that selected pieces of core were taken from the broader interval and assayed as a single non-representative sample. A common practice utilised by KMPC and KORES historically.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	<p>The drill holes were never down hole surveyed and a clinometer and compass were used to set-up the drill rig and determine the hole dip and azimuth.</p> <p>It is not intended that any of the KMPC holes would be used in the estimation of a Mineral Resource.</p> <p>Ground magnetic survey stations are recorded using a hand-held Garmin GPS (+/- 5m accuracy). Data have been gridded using a 20m cell size for further processing and imaging.</p> <p>Hole UBD0004 and other holes from the Chibo drill programme were initially referenced using hand-held Garmin GPS60cs unit. The hole collars were subsequently surveyed by a surveyor using a DGPS unit. This unit is more accurate than a hand-held GPS and collar locations are considered accurate to +/-1m at Chilbo due to limited satellite coverage and the absence of mobile phone coverage at the project site. All holes have been down hole surveyed using the KORES owned Devicore, Deviflex down hole survey tool which surveys the drill hole at 3m intervals using variance in strain measurements to determine the bend in the drill string. This provides a very accurate survey of the drill hole trace.</p>
	<i>Specification of the grid system used.</i>	KMPC did not record collar coordinates for any of the drill holes. Collar locations are shown on schematic topographic maps

Criteria	JORC – Code of Explanation	Commentary
		<p>contained with the original summary drilling reports<sup>D7,8</sup>. Past ground truthing suggests that these location details can be out by some considerable distance commonly 5 to 10m but on occasions errors of 100 to 200m have been found. The Company plans to try and locate the historic drill pads but the original drill collars but this may not be possible after 40 years of weathering and forest growth. The 2016, project evaluation report commissioned by KORES has been used along with the original 1976 and 1977 drill reports to best position the 6 drill holes in the UTM zone 52N WGS 84 coordinate system<sup>D7,D8,D9</sup>.</p> <p>Ground Magnetic Survey data are recorded in WGS84, UTM zone 52N coordinate system.</p> <p>Similarly, all the company's drill data and surface geological data is compiled in the WGS84, UTM zone 52N coordinate system.</p>
	<i>Quality and adequacy of topographic control.</i>	The National Geographic Information Institute (NGII) has 1:5,000 scale digital contour data for the entire country.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	<p>The KMPC drilling is not considered adequate for use in any future mineral resource estimation. The results commented upon in this release should only be considered indicative of the potential grade of the Ilweol structure.</p> <p>The Company's drilling and data compilation has been undertaken to a standard that would allow for it to be used in any future Mineral Resource estimate but at the point in time it is impossible to say whether any of the hole data would be used in the estimation of a Mineral Resource.</p>
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	<p>The KMPC drilling is not considered adequate for use in any future mineral resource estimation. The results commented upon in this release should only be considered indicative of the potential grade of the Ilweol structure.</p> <p>The Company's drilling and data compilation has been undertaken to a standard that would allow for it to be used in any future Mineral Resource estimate but at the point in time it is impossible to say whether any of the hole data would be used in the estimation of a Mineral Resource.</p>
	<i>Whether sample compositing has been applied.</i>	The reported intercepts in most cases are composited numbers and the company does not have access to the original raw assay values.

Criteria	JORC – Code of Explanation	Commentary
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	<p>The holes were drilled in an effort to minimise any sampling bias.</p> <p>The Company's drilling and data compilation has been undertaken to a standard that would allow for it to be used in any future Mineral Resource estimate but at the point in time it is impossible to say whether any of the hole data would be used in the estimation of a Mineral Resource.</p>
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	<p>The drilling for the most part was either vertical holes or holes from the interpreted hangingwall with efforts made to site holes so as to intersect the interpreted structure as close to normal as possible given the limitations of access and available drill space.</p> <p>This is not considered an issue and KMPC reported both drilled widths and true width for each reported intercept.</p> <p>It is too early in the evaluation of the Chilbo Prospect to comment on the orientation of the drilling with respect to the key structures. The Chilbo Prospect geology is extremely complex with multiple fault sets disrupting a complexly folded skarn altered system.</p>
Sample security	<i>The measures taken to ensure sample security.</i>	<p>The company is not aware of any steps taken by KMPC to secure samples during their transit from the Ilweol drill site to the Seoul laboratory. Security of samples is not considered an issue.</p> <p>The core from the Chilbo programme is reviewed and orientated at the drill site then transferred to the Company's Ubeong office for detailed logging before then being trucked to the secure Sotae core shed for cutting and storage.</p>
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	<p>The KMPC/KORES laboratory has not been audited by company personal.</p> <p>No sampling has been undertaken as yet on core from hole UBD0004.</p>

(Criteria in this section apply to all succeeding sections.)



## Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC – Code of Explanation	Commentary
Tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<p>SMCL, was granted tenure over Dogyedong 72 tenement that covers the main Ilweol prospects on the 27<sup>th</sup> September 2017. An MDS report was filed over block Dogyedong 82 on 27<sup>th</sup> December and the Company was formerly granted title over the tenement on 15 March 2018. The company has additional applications over surrounding blocks Dogyedong 62 (site of the historic processing plant), Dogyedong 61, 71, 81, 91 and 92 as part of the broader suite of applications held as part of the Ubeong Project tenement applications. The KMPC drilling discussed in this release took place on the Dogyedong 72, 81 and 82 titles.</p> <p>Efforts are underway to locate outcropping mineralisation on the adjoining tenement block Dogyedong 81 that hosts the NW extension of the target Ilweol skarn structure. This is required to facilitate the formal grant of the title.</p> <p>The formal grant of title gives the Company the exploration rights for up to 7 years over the title.</p> <p>Exploration rights are granted by commodity for tenement blocks defined by the GRS080 grid system over 1x1 minute graticule blocks.</p> <p>The Ministry of Trade, Industry and Energy (MOTIE) reviews the Mineral Deposit survey (MDS) report and if satisfied, will issue an exploration right.</p>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	<p>The Company has been granted tenure for blocks Dogyedong 72 and 82 for up to 6 years from the date the prospecting plan is submitted. The company has until late June 2018, to locate sufficiently mineralised outcrop on the Dogyedong 81 title and to complete and file a MDS report with the Ministry to facilitate the grant of this third title.</p> <p>If the MDS report is accepted by the Ministry, the Company will be granted Mining rights over the applied tenement for an initial 3-year period. Following the successful filing of the MDS, the applicant is required to file a Prospecting Application (PA). The PA report details the planned exploration activities to be completed over the tenement during the initial 3-year prospecting period. This includes the completion of a minimum quantum of geophysical surveys, geochemical surveys or drilling as defined under the Mines Act. Provided that at least 50% of the statutory requirement is completed within the initial 3-year prospecting period, the tenement holder is entitled to apply for an additional 3 year extension</p>

Criteria	JORC – Code of Explanation	Commentary
		<p>to facilitate the completion of the specified exploration programme. A Prospecting Report must then be submitted to the Ministry at the completion of the exploration programme. An additional element was added to the process in early 2017 when the Ministry decreed that a tenement holder must include details of the defined Mineral Resource with any application for extension to an Exploration Right or for the grant of a full Mining Right. There are minimum Resources requirements that must now be met at each stage of the application process. The tenement holder must then submit a Mine Planning Application (MPA) to the local Government Authority who will, if the MPA is approved, grant tenure for mining for a period of 20 years subject to statutory requirements as set out under the terms of the MPA approval. The applicant holding a Mining Right can apply for extensions provided all statutory requirements have been met over the life of the mine.</p>
Exploration done by other parties	<i>Acknowledgement and appraisal of exploration by other parties.</i>	<p>As discussed in this release KMPC (now KORES) completed a 900m, 3-hole drill programmes between May and July 1976. In 1977 a follow-up 800m, 3-hole programme was also undertaken between July and October 1977<sup>D6-8</sup>.</p> <p>The 2016, KORES commissioned review of the Ilweol project included the compilation of a geological map showing the extent of some but not all of the known historic Ilweol workings<sup>D6</sup>. The mine and processing facility was commissioned during the Japanese occupation of Korea in 1939 and operations continued intermittently until 1976 when the mine shut.</p> <p>KIGAM has completed high level reconnaissance surveys across the country and specifically across the Seochon 1:50,000 sheet that includes the Ilweol mine. These surveys included airborne geophysics, regional scale stream sediment surveys and large scale regional geological mapping<sup>D4,D5</sup>.</p> <p>The Company has presented and commented upon all past exploration work in the area that the Company is currently aware of. The Company is continuing its search for historical mine records and past KMPC and KORES reports on the Ilweol Prospect.</p> <p>The Company has no records of the past production from any of the historic mines in the district.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The geological target is skarn associated copper, lead, zinc, gold and silver mineralisation. In addition. There is basemetal</p>

Criteria	JORC – Code of Explanation	Commentary
		<p>mineralisation observed along cross-cutting fault structures often with associated mafic dyke intrusives.</p> <p>The limited rock chip assay results reported previously by the company indicate that there is potential in the area for zinc, lead, copper, gold and silver<sup>D1</sup>. The Proterozoic limestone at the former Ilweol mine site has undergone intense skarn metasomatic alteration most likely associated with a blind intrusive body.</p>
Drill hole information	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li>• easting and northing of the drill hole collar</li> <li>• elevation or RL (Reduce Level) – elevation above sea level in metres) of the drill hole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length</li> </ul>	<p>This release discusses the available results from the 1976 and 1977 KMPC drilling undertaken at the Ilweol prospect<sup>D7,D8</sup>.</p> <p>All available KMPC drill results, location details and descriptions are included herewith as Appendices 1.</p> <p>Location details for the Company's 5 Ubeong Project drill holes are summarised in Appendix 2.</p>
	<p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	<p>All available past drilling information has been included in the body of this release or within the accompanying appendices.</p>
Data aggregation methods	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p>	<p>It is assumed that the KMPC data is raw data but some degree of length-based weighting may have been applied?</p> <p>The images in this release relate to rock chip and soil samples collected by Company personnel as part of a broader follow-up of earlier stream sediment surveys over the Ubeong Project area. The results of the sampling work have been discussed in detail in numerous prior releases.</p>



Criteria	JORC – Code of Explanation	Commentary
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	<p>The Company has no information on how the original raw assays were compiled by KMPC the only information to the Company is the broader intercept data reported in this release.</p> <p>No sampling has been undertaken as yet on core from hole UBD0004.</p>
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	KMPC reported both down hole intercept lengths as well as the interpreted true width of each reported intercept (Appendix 1).
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	KMPC utilised information from underground coupled with information on the strike and dip of surface outcrops to determine the dip of the targeted skarn horizon. The assumption made by KMPC is that all drill holes remained straight over their full 250 to 300m length. Using this information coupled with known dips and strikes interpreted the true width of each drill intercept. The drill logs do not contain any details of the angles of geological structures to the drill hole.
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	The true width as discussed above was calculated using all available geological data but is limited in accuracy due to the absence of down hole surveys and detailed core orientation data and should only be considered an approximation.

Criteria	JORC – Code of Explanation	Commentary
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	<p>Figure 2 shows the approximate locations of the drill holes based all the data the Company has available to it. The drill holes are shown on the recently acquired ground magnetics data image with the surface trend of the skarn limestone horizon superimposed over the magnetics as mapped and compiled by <i>Geoho Geology Consultants</i> as part of the KORES 2016 review of the Ilweol prospect.</p> <p>Figure 2 also shows the granted blocks Dogyedong 72 &amp; 82. Figure 1 shows the broader area and the extent of the Ubeong Project. The NW extension of the skarn limestone trend and the Dogyedong 81 tenement lie directly to the north of block 82.</p>
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	<p>The estimated hole collar location and designed dip and azimuth details along with the available assay data for the KMPC Ilweol drill holes is summarised in Appendix 1.</p> <p>Appendix 2 summarises the collar locations and designed dip and azimuth details for all 5 Ubeong drill holes.</p> <p>Hole UBD0004 has not been logged in detail as yet and only summary details of the geology for the hole are included in the main body of this release.</p>
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	<p>All available KMPC drill hole data has been included in this announcement. The reader is directed to the Company's early release which included several grab and underground channel samples from the Ilweol project<sup>D1</sup>. The bulk of these rock chip samples were collected from workings to the west of the main NW-SE trending skarn structure from small mineralised shear structures commonly paralleled by mafic dykes.</p> <p>To date the company has completed reconnaissance stream sediment survey in the area and limited follow-up rock chip sampling. A ground magnetics survey is currently underway and has covered the central core area of the Ilweol project so far (Figure 2). In conjunction with the ground magnetic survey a soil sampling programme is also underway on 100m spaced lines at 25m sample points along each north-south line.</p> <p><i>Geoho Geology Consultants</i> commissioned an independent contractor Dr Seo to complete an eight-line IP survey along several of the ridges and valleys at Ilweol and the limited available data is currently being compiled and will be reviewed by Southern Geoscience Consultants.</p>

Criteria	JORC – Code of Explanation	Commentary
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	<p>The Company plans to complete tenement scale geological mapping and rock chip sampling across each of the Ilweol tenement blocks.</p> <p>Complete the current soil and ground magnetics programme.</p> <p>Obtain access permission from the Government or local land holders to undertake a limited drill programme which would be aimed initially at confirming the historic drill intercepts discussed in this release.</p>
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	<p>Figure 1 shows the location of the Ilweol project along with the locations of the Proterozoic limestones and major regional structures on the KORES 2016 geological map<sup>D6</sup>. Potential exists along the skarn limestone trend particularly towards the northwest. Folding of the sequence also suggests potential for blind repeats of the mineralised skarn horizon both to the west and east of the mapped surface exposure.</p> <p>Figure 2 shows the ground magnetics imagery with the location of the KMPC (now KORES) drill holes.</p> <p>Figure 3 shows an interpreted cross section through KMPC (now KORES) drill holes ILW 76-3 and ILW 77-1.</p> <p>Figure 4 shows the Chilbo and Python magnetic imagery, lead soil geochemistry and the location of drill holes completed and in progress to date.</p>



**Appendix 1: Details of KMPC Ilweol Prospect Drilling 1976 and 1977**

Drill hole	Northing	Easting	mRL	Dip°	Az.°	Depth	From	To	Int.	TW	Grade		
											Zn %	Pb %	Cu %
ILW 76-1	4,074,593	509,989	637	-80	40	300					NS	NS	NS
ILW 76-2	4,074,429	510,186	609	-75	60	300					NS	NS	NS
ILW 76-3	4,074,212	510,311	694	-75	50	300	181.3	183.3	2.0	1.4	17.30	2.81	NS
							183.3	184.9	1.6	1.1	13.80	0.14	NS
							184.9	191.3	6.4		BLD	BLD	BLD
ILW 77-1	4,074,241	510,346	677	-90	0	250	191.9	198.9	7.0	3.5	14.58	1.37	2.12
ILW 77-2	4,074,147	510,379	626	-75	55	250	113.8	117.8	4.0	2.0	NS	NS	NS
ILW 77-3	4,073,860	510,678	547	-90	0	300	248.0	248.5	0.5	0.4	19.13	1.32	2.05
							249.9	250.4	0.5	0.4	5.15	1.69	Tr
							253.6	255.7	2.1	1.5	18.66	11.08	3.21
							263.6	269.1	5.5	4.0	10.16	1.61	1.45

NS not sampled no mineralisation logged by KMPC.

BLD below level of detection

**Appendix 2: Details of PSM Chilbo Prospect Drill Holes**

HoleID	Easting	Northing	mRL	Hole Depth	Dip°	Azimuth°
UBD0001	512843.4	4078203.8	619.1	225.83	-49.53	43.75
UBD0002*	513499	4078169	664	394.8	-2.96	0
UBD0003*	513617	4078198	666	313.85	-39	178
UBD0004*	513616	4078208	666	400.1	-35.23	12
UBD0005*	512965	4079229	597	150	-45	0

\* Hole Design details

NB all hole collars were recently surveyed with a DGPS unit but as the time of this release the field data had not been processed by the survey contractor. Hole UBD0001 collar details are accurate but the details for the other 4 holes are provisional. The first 4 holes have been down hole surveyed with a Devicore Deviflex survey tool.